Macallum New Energy Limited

ABN 20 628 953 122

Annual Report - 30 June 2025

Macallum New Energy Limited
Corporate directory
30 June 2025

Directors	Rance Dorrington Trinity Nofal Phil Thick (Appointed 7 August 2024) Peter Nofal (Resigned 7 August 2024)
Company secretary	Silfia Morton (Appointed 1 November 2025) Rance Dorrington (Resigned 1 November 2025)
Registered office	11 Moreau Mews Applecross WA 6153 Australia
Principal place of business	11 Moreau Mews Applecross WA 6153 Australia
Share register	Xcend Pty Ltd Level 2 477 Pitt Street Haymarket NSW 2000 Australia
Auditor	Connect National Audit Pty Ltd 60 Toorak Road South Yarra VIC 3141
Solicitors	Thomson Geer Level 29, Central Park Tower, 152-158 St Georges Terrace, Perth, WA 6000
Website	https://www.macnewenergy.com.au/

Macallum New Energy Limited
Directors' report
30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Macallum New Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2025.

Directors
The following persons were directors of Macallum New Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Rance Dorrington
Trinity Nofal
Phil Thick (Appointed 7 August 2024)

Principal activities
The principal activities of the consolidated entity during the financial year were the continued exploration for hydrocarbons and other gases within 100% held petroleum exploration permits in the on-shore Perth basin in Western Australia.

Dividends
There were no dividends paid during the current or prior financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,374,681 (30 June 2024: $1,664,861).

Significant changes in the state of affairs
The consolidated entity is expecting to list on the ASX in early 2026 which will provide additional avenues for raising capital to fund intended future exploration programmes that are expanding in line with the increased knowledge including new leads and prospects that have been identified through past exploration efforts. It is likely that expenditure programs will be larger than in the past as the consolidated entity moves to acquiring 3D & expanded seismic information that may lead to the future commitment to drill exploration wells which will require much greater capital requirements and if successful may lead to significant value change and further expansion of operations.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Since year end, the consolidated entity has raised $75,000 through the exercise of employee share options, 800,000 shares at $0.075 per share and 100,000 shares at $0.15 per share. In addition, 1.6 million employee share options with a $0.075 exercise price were cancelled after year end.

Material costs have been incurred since 30 June 2025 to assist the consolidated entity to meet the requirements for listing the consolidated entity on the ASX. These have included costs for independent experts reports, legal fees and other related costs. The consolidated entity has issued short term convertible notes to fund on-going operations and pre-IPO costs related to the proposed ASX listing planned to occur in early 2026. The condition for the conversion of these notes was met and all of these have or will be converted to ordinary shares prior to any listing.

The consolidated entity has continued to incur exploration costs on both its granted exploration permits in order to meet the requirements stipulated under the conditions of grant. In addition to the existing permits the consolidated entity has applied for an additional 2 special prospecting authorities with acreage options in Western Australia, which when & if granted and accepted may lead to an increase in exploration activities and cost associated with this.

The directors are not aware of any other material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity intends to continue its exploration activities in the on-shore Perth Basin within its two existing Exploration Permits. Where initial exploration for hydrocarbons proves successful then further works could include further exploration and the development of projects to capitalise on such success. At this stage however the potential for development of any production is not known.

Environmental regulation

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory other than exploration activities which are regulated by DMPE in relation to WA petroleum exploration permits. The consolidated entity expects to comply with all permit requirements and regulations and is not aware of any activities that do not comply with any such regulations.

Information on directors

Name:	Rance Dorrington
Title:	Commercial Director
Qualifications:	Bachelor of Business / Graduate Diploma Corporate Governance
Experience and expertise:	Rance has worked within the resources industry for over 24 years with experience in the petroleum and minerals industries globally, including acting as CFO & Co-Sec for Extract Resources Ltd from its ASX junior listed inception up until prior to take over by Chinese interests for over A$2B. Predominantly working in capital markets, financial and governance roles within a small team environment where exposure to all facets of exploration and commercial operations has given Rance substantial knowledge at all levels of the exploration business. Rance transitioned from his role as CEO and director to executive director in November 2025 and is now using his broader skill set in taking up the position of Commercial Director to help manage all aspects of a rapidly emerging energy business.
Other current directorships:	None
Former directorships (last 3 years):	Altitude Minerals Ltd (ASX: ATT) (formerly Copper Search Limited ASX: CUS)
Interests in shares:	2,817,625 Ordinary Shares
Interests in options:	1,604,375 Options

Name:	Phil Thick
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Engineering Civil (Hons)
Experience and expertise:	Phil has over 40 years' experience as a senior executive in oil and gas, mining and chemical processing spanning small to multi-national public and private companies. He also has extensive experience on many boards and has chaired many of them for extended periods. He enjoyed a 20-year career with Shell, both within Australia and overseas and for the last three he was on the board of Shell Australia as Downstream Director. This was followed by five years as a director and CEO of Coogee Chemicals, then four as CEO of New Standard Energy drilling exploration and production wells in the Canning Basin in WA and in Texas. He was then the head of Tianq Lithium Australia for four years. He is a Non-Exec Director of ASX listed companies Livium Ltd and Patriot Resources and Chairs the board of private mineral sands company Taiko Critical Minerals.
Other current directorships:	Non-Executive Director, Livium Ltd (ASX:LIT) Non-Executive Director, Patriot Resources Ltd (ASX:PAT)
Former directorships (last 3 years):	None
Interests in shares:	1,562,500 Ordinary Shares
Interests in options:	1,378,125 Options

Name:	Trinity Nofal
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce from The University of Western Australia with a major in Corporate Finance and a minor in Business Law Bachelor of Health Science from the University of Western Australia with majors in Public Health and Psychology Master of Applied Finance from Kaplan Professional Graduate Member of the Australian Institute of Company Directors (GAICD)
Experience and expertise:	Trinity gained her experience in Corporate Finance as an Associate Director at RFC Ambrian Limited. With a specific focus on the natural resources sector, Trinity has demonstrated exceptional expertise in analysing and advising on various aspects of the industry. Throughout her tenure at RFC Ambrian, Trinity was involved in strategic reviews, IPO's and mergers and acquisitions within the natural resources space. She excelled in conducting comprehensive market research, due diligence, and financial analysis to evaluate investment opportunities and provide insightful recommendations to clients. Trinity has been working with the Macallum Group in a corporate finance role since 2019.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	225,001 Ordinary Shares (Direct)
Interests in options:	1,556,250 Options (Direct)
Interests in convertible notes:	30,000 Convertible Notes (Direct)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Silfia Morton was appointed as the Company Secretary on 1 November 2025. Rance Dorrington, who had held the role of Company Secretary since September 2018, resigned on the same date.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Rance Dorrington	6	6
Trinity Nofal	6	6
Phil Thick (Appointed 7 August 2024)	6	6

Held: represents the number of meetings held during the time the director held office.

Remuneration report (unaudited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Non-executive directors are currently not being paid and are not entitled to any salary or other benefits with the exception of the award of a parcel of options to each Non-executive director. Options have been awarded to replace the need for cash compensation until such time as the consolidated entity can support the payment of such which is expected to be from the date of the proposed ASX listing.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at a General Meeting held on 6 July 2023, where the shareholders approved a maximum annual aggregate remuneration of $210,000.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Options are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Macallum New Energy Limited:
- Rance Dorrington - Commercial Director
- Phil Thick - Non-Executive Chairman
- Trinity Nofal - Non-Executive Director

Changes since the end of the reporting period: None

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2025	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Phil Thick (Chairman)	-	-	-	-	-	-	4,441	4,441
Trinity Nofal	-	-	-	-	-	-	33,933	33,933
Executive Directors:								
Rance Dorrington	178,635	-	-	20,543	3,103	-	92,495	294,776
	178,635	-	-	20,543	3,103	-	130,869	333,150

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2024	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Phil Thick (Chairman)	-	-	-	-	-	-	-	-
Trinity Nofal	-	-	-	-	-	-	22,995	22,995
Peter Nofal (a)	-	-	-	-	-	-	-	-
Executive Directors:								
Rance Dorrington	146,667	-	-	16,133	905	-	94,172	257,877
	146,667	**~**	**-**	**16,133**	**905**	**-**	**117,167**	**280,872**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2025	2024	2025	2024	2025	2024
Non-Executive Directors:						
Phil Thick	-	-	-	-	100%	-
Trinity Nofal	-	-	-	-	100%	100%
Peter Nofal (a)	-	-	-	-	100%	100%
Executive Directors:						
Rance Dorrington	69%	63%	-	-	31%	37%

(a) Peter Nofal resigned 7 August 2024

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Rance Dorrington
Title:	Commercial Director
Agreement commenced:	1 July 2022
Term of agreement:	No set term
Details:	Base salary for the year ending 30 June 2025 of $200,000 plus superannuation, to be reviewed annually. Three-month termination notice by either party.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Phil Thick	1,050,000	15/04/2025	1/3 at each anniversary of grant date	31 October 2028	$0.30	$0.061
Trinity Nofal	700,000	15/04/2025	1/3 at each anniversary of grant date	31 October 2028	$0.30	$0.061

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. Due to bonus issue of shares to ordinary shareholders all ESOP options issued had either the quantity of options increased or the exercise price payable reduced in proportion to the bonus issue made. Other than this there has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Rance Dorrington	-	129,600	-	-
Phil Thick	64,050	-	-	100%
Trinity Nofal	42,700	-	-	100%

Additional information

The entity was incorporated on 12 October 2018 and commenced trading during the financial year ended 30 June 2023. The earnings of the consolidated entity for the three years to 30 June 2025 are summarised below:

	2025 $	2024 $	2023 $
Sales revenue	-	-	-
EBITDA	(1,359,148)	(1,652,618)	(941,905)
EBIT	(1,374,681)	(1,664,861)	(944,121)
Profit after income tax	(1,374,681)	(1,664,861)	(944,121)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Rance Dorrington	417,625	-	1,600,000	-	2,017,625
Phil Thick	1,050,000	-	262,500	-	1,312,500
Trinity Nofal	140,000	-	85,001	-	225,001
	1,524,100	-	2,031,026	-	3,555,126

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Adjustment*	Exercised	Balance at the end of the year
Options over ordinary shares					
Rance Dorrington	3,600,000	104,406	300,000	(1,600,000)	2,404,406
Phil Thick	-	1,378,125	-	-	1,378,125
Trinity Nofal	500,000	756,250	300,000	-	1,556,250
	4,100,000	2,238,781	600,000	(1,600,000)	5,338,781

* In April 2025 the Company issued 1:4 bonus shares and 1:4 bonus options to the existing ordinary shareholders. As a consequence of this, existing options quantities or exercise prices were adjusted.

Other transactions with key management personnel and their related parties
Mr Phil Thick has also acquired 300,000 convertible notes at $1 each issued by the Company during the financial year. Subsequent to the year end, these notes were converted into share capital in the Company.

There were no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which is unaudited.

Shares under option
Unissued ordinary shares of Macallum New Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date[1]	Exercise price	Number under option
14/10/2022	31 Oct 2028	$0.200	3,062,500
03/10/2023	31 Oct 2028	$0.300	812,500
03/10/2023	31 Oct 2028	$0.225	2,400,000
15/04/2025	31 Oct 2028	$0.300	875,000
15/04/2025	31 Oct 2028	$0.225	1,050,000
25/04/2025	31 Oct 2028	$0.300	30,156,132
			38,356,132

[1] At grant, no expiry date was specified. For valuation purposes, the external valuer (BDO) has applied an expiry date of 31 October 2028.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Macallum New Energy Limited were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
22/06/2022	$0.075	2,400,000
14/10/2022	$0.150	100,000

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor, current or previous, of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Officers of the company who are former partners of Connect National Audit Pty Ltd

There are no officers of the company who are former Directors of Connect National Audit Pty Ltd.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Connect National Audit Pty Ltd is appointed in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

____
Rance Dorrington
Director

19 November 2025
Perth

CONNECT NATIONAL AUDIT

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Macallum New Energy Limited and its controlled entity for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Macallum New Energy Limited.

Robin King Heng Li CA RCA
Director
Connect National Audit Pty Ltd
Authorised Audit Company No. 521888

Date: 19 November 2025

General information

The financial statements cover Macallum New Energy Limited as a consolidated entity consisting of Macallum New Energy Limited and the entity it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Macallum New Energy Limited's functional and presentation currency.

Macallum New Energy Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

11 Moreau Mews
Applecross
Perth
WA, 6154

Principal place of business

11 Moreau Mews
Applecross
Perth
WA, 6154

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 November 2025. The directors have the power to amend and reissue the financial statements.

Macallum New Energy Limited
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 2025 $'000	2024 $'000
Other income	4	13,333	191,624
Expenses			
Employee benefits expense	5	(403,149)	(499,671)
Exploration expenses	5	(519,814)	(942,966)
Administration expenses		(82,801)	(88,006)
Depreciation expense		(15,533)	(12,244)
Share-based payments expense	5	(361,429)	(308,195)
Other expenses		(5,288)	(5,403)
Loss before income tax expense from continuing operations		(1,374,681)	(1,664,861)
Income tax expense	6	-	-
Loss after income tax expense for the year		(1,374,681)	(1,664,861)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the company		(1,374,681)	(1,664,861)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Macallum New Energy Limited
Consolidated Statement of financial position
As at 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Assets			
Current assets			
Cash and cash equivalents	7	72,762	121,250
Trade and other receivables	8	80,000	204,130
Total current assets		152,762	325,380
Non-current assets			
Property, plant and equipment	9	47,415	62,948
Exploration and evaluation assets	10	7,500,000	7,500,000
Total non-current assets		7,547,415	7,562,948
Total assets		7,700,177	7,888,327
Liabilities			
Current liabilities			
Trade and other payables	11	295,336	209,238
Employee benefits	12	10,372	5,473
Deposits held		30,000	-
Borrowings		-	220,000
Total current liabilities		335,708	434,710
Non-current liabilities			
Employee benefits	12	4,618	1,390
Total non-current liabilities		4,618	1,390
Total liabilities		340,326	436,100
Net assets		7,359,851	7,452,227
Equity			
Issued capital	13	11,557,271	10,506,794
Options reserve	13	699,854	468,026
Accumulated Losses		(4,897,274)	(3,522,593)
Total equity		7,359,851	7,452,227

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Macallum New Energy Limited
Consolidated Statement of changes in equity
For the year ended 30 June 2025

Consolidated	**Issued capital $**	**Share Options' Reserve $**	**Accumulated Losses $**	**Total equity $**
Balance at 1 July 2023	10,162,494	159,831	(1,857,732)	8,464,593
Loss after income tax expense for the year	-	-	(1,664,861)	(1,664,861)
Total comprehensive loss for the year	-	-	(1,664,861)	(1,664,861)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 13)	344,300	308,195	-	652,495
Balance at 30 June 2024	10,506,794	468,026	(3,522,593)	7,452,227

Consolidated	**Issued Capital $**	**Share Options' Reserve $**	**Accumulated Losses $**	**Total equity $**
Balance at 1 July 2024	10,506,794	468,026	(3,522,593)	7,452,226
Loss after income tax expense for the year	-	-	(1,374,681)	(1,374,681)
Total comprehensive loss for the year	-	-	(1,374,681)	(1,374,681)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 13)	1,050,477	231,829	-	1,282,305
Balance at 30 June 2025	11,557,271	699,854	(4,897,274)	7,359,851

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Macallum New Energy Limited
Consolidated Statement of cash flows
For the year ended 30 June 2025

	Note	Consolidated 2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from R&D refundable offsets and interest		204,956	109,388
Payments to suppliers and employees (inclusive of GST)		(904,320)	(1,436,612)
Net cash used in operating activities	25	(699,364)	(1,327,224)
Cash flows from investing activities			
Purchase for property, plant and equipment		-	(62,414)
Net cash used in investing activities		-	(62,414)
Cash flows from financing activities			
Proceeds from issue of shares		580,877	344,300
Proceeds from loan		-	220,000
Proceed from options exercised		120,000	-
Advance of funds to ultimate holding entity		(80,000)	-
Proceeds from deposit for convertible notes		30,000	-
Net cash provided by financing activities		650,877	564,300
Net decrease in cash and cash equivalents		(48,488)	(825,338)
Cash and cash equivalents at the beginning of the financial year		121,250	946,588
Cash and cash equivalents at the end of the financial year	8	72,762	121,250

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Going Concern
For the year ending 30 June 2025, the Group incurred a comprehensive loss of $1,374,681 (2024: $1,664,861), net cash used in operating activities totalled $699,364 (2024: 1,327,224).

As at 30 June 2025, the cash balance was $72,762, the net current liabilities were $182,946 and the Net Assets were $7,359,852 which includes the carrying value of the Group's Exploration and Evaluation asset at $7,500,000.

These conditions give rise to a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to expect the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, and that therefore it is appropriate to adopt the going concern basis in the preparation of the annual financial report.

The Directors have prepared multiple cash flow forecasts that indicate that the consolidated group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of this report.

Based on the assumptions included in the cash flow forecasts, the Directors are satisfied that, the going concern basis of preparation is appropriate. These forecasts includes estimated operating expenses, direct exploration expenses and forecasted human resource costs, as well as additional funding and anticipated outcomes as disclosed below.

The assessment of the going concern assumption is based on the group's cash flow projections which applies a number of judgements and estimates, resulting in a range of reasonably possible scenarios, that maintain a cash positive position.

The Directors have taken the following into consideration in preparing these cash flow forecasts:

- The Company has demonstrated a track record of raising capital from its shareholders as and when needed for the ongoing funding of continuing exploration activities, including minimum expenditure requirements for keeping existing permits in good standing with the regulator and the intention is to continue with this as needed funding model up until the proposed ASX listing of the Company
- The proposed ASX listing of the Company is expected to provide sufficient funding for the Company's current projects for at least the next 12 months
- Should the Company not list on the ASX as planned the shareholders are expected to be asked to continue to contribute further funds

Whilst the Directors have every confidence in the above, should these matters not be completed as anticipated whether the entity is able to continue as a going concern and therefore realise its assets and discharge its liabilities in the normal course of business, is uncertain.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macallum New Energy Limited ('company' or 'parent entity') as at 30 June 2025 and the results of its subsidiary for the year then ended. Macallum New Energy Limited and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

Exploration and evaluation assets
Costs associated with acquiring Petroleum Exploration Permits, including costs of associated options, are capitalised and reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount.

Other exploration and evaluation costs are generally expensed to profit or loss in the period they are incurred.

Capitalised exploration and evaluation expenditure is carried forward where the right to explore an area of interest is current and they are either expected to be recouped through the sale or successful development of an area of interest or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The future recoverability of the carrying amount of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively, the sale of an area of interest.

Comparative Information
The comparatives used in this financial report are taken from the financial report dated and approved by the Board on 14 November 2025 which replaced two earlier financial reports for the year ended 30 June 2024 dated 24 April 2025 and 28 October 2025.

Where necessary, comparative information has been reclassified and reprovisioned for consistency with current year disclosures.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs
Exploration and evaluation costs, to the extent they have been capitalised, are assessed on the basis that either exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or alternatively the Company has assessed that it will be able to commence commercial production in the future, from which it will be able to recoup those costs. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. Factors that could impact the future commercial production include the level of reserves and resources, future technology changes, which could impact the cost of extraction, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Further details of capitalised exploration and evaluation costs are set out in Note 10.

Share-based payments
The grant date fair value of share-based payment is recognised as an expense with a corresponding increase in equity, over the period that the recipient unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that, the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date.

The Company follows the guidelines of AASB 2 ‘Share-based payments’ and takes into account all performance conditions and estimates the probability and expected timing of achieving these performance conditions. Accordingly, the expense recognised over the vesting period may vary based upon information available and estimates made at each reporting period, until the expiry of the vesting period. For valuation purposes, the expiry date has been set at 31 October 2028 by the external valuer (BDO).

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being petroleum & associated gases exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 4. Other income

	Consolidated	
	2025	2024
	$	$
Interest income	133	-
R&D refundable offset	13,200	191,624
Other income	13,333	191,624

Note 5. Expenses

	Consolidated	
	2025	2024
	$	$
Profit before income tax from continuing operations includes the following specific expenses:		
Exploration expenses		
Consultancy fees	113,209	204,074
Exploration costs	377,996	668,554
Travel costs	16,341	19,767
Exploration Permit Fees & Holding Costs	12,267	50,570
	519,814	942,966
Depreciation expense	15,533	12,244
Employee benefits expense		
Salaries and superannuation	393,285	501,782
Annual leave accrual	4,899	(4,606)
Long service leave accrual	3,228	1,390
Staff recruitment	312	-
Staff amenities	434	213
Workers compensation	991	892
	403,149	499,671
Share-based payments expense		
Share-based payments expense	361,429	308,195

Note 6. Income tax expense

	Consolidated 2025 $	Consolidated 2024 $
The components of income tax (expense) income comprise		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax (expense)	-	-

	Consolidated 2025 $	Consolidated 2024 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,374,681)	(1,664,861)
Tax at the statutory tax rate of 30%	(412,404)	(499,458)
Add:		
Tax effect of:		
Expenses subject to R&D tax incentive	-	118,530
Non-deductible expenses		
	145,637	30,069
Less:		
Tax effect of:		
R&D Offset	(3,837)	(57,487)
Other deductible expenses	(26,212)	(16,912)
Tax losses not recognised	296,816	425,258
Income tax attributable to entity	-	-

Deferred tax is not recognised because the Directors do not consider beyond reasonable doubt that the tax losses are recoverable in future periods at this stage.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2025 $	Consolidated 2024 $
Cash at bank	72,762	121,250
	72,762	121,250

Note 8. Trade and other receivables

CURRENT	Consolidated 2025 $	Consolidated 2024 $
R&D Refundable Offset	-	191,624
Prepayments	-	10,500
Trade Debtors	-	2,006
Loan receivable from Macallum Group Ltd (MGH) (note a)	80,000	-
	80,000	204,130

(a) Loan is receivable from Macallum Group Limited, a related party. Refer note 20.

Note 9. Non-current assets - property, plant and equipment

	Consolidated 2025 $	Consolidated 2024 $
Plant and equipment - at cost	77,664	77,664
Less: Accumulated depreciation	(30,249)	(14,716)
	47,415	62,948

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $
Balance at 1 July 2023	12,778
Additions	62,414
Depreciation expense	(12,244)
Balance at 30 June 2024	62,948
Depreciation expense	(15,533)
Balance at 30 June 2025	47,415

Refer to note 14 for further information on fair value measurement.

Note 10. Non-current assets - exploration and evaluation

	Consolidated 2025 $	Consolidated 2024 $
Exploration and evaluation - at cost	7,500,000	7,500,000

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation $
Balance at 1 July 2023	7,500,000
Additions	-
Balance at 30 June 2024	7,500,000
Additions	-
Balance at 30 June 2025	7,500,000

In the 2023 financial year Macallum New Energy Limited agreed to acquire the petroleum exploration permits from Macallum Group Limited under a related party transaction which represented a restructuring of the asset holdings of the Ultimate Holding Entity and was unanimously agreed to by both Company's boards of directors as being in the best interest of respective shareholders. No independent valuation was undertaken for this purpose as the Directors considered the purchase and sale was transacted at a reasonable value at the time having considered the costs incurred to date on the permits, the early-stage nature of the projects and the historical value of peers at similar stages of exploration. The Directors have assessed the value of these performance rights were nil at grant date. The purchase of the permits was paid for by the issue of 75,000,000 ordinary shares and by the issue of performance rights which together were determined to be a total value of A$7.5M. Under the policy of capitalising the acquisition cost of permits this amount was recorded as an exploration asset. Refer to note 13 and note 18 for further details.

The number of Performance Rights was reduced from 30,000,000 to 18,900,000 Performance Rights and the Performance Rights were issued to Macallum Group Limited on 22 May 2025. The criteria of the Performance Rights were subsequently amended in November 2025 and are set out below:

Class	Performance Criteria	Expiry Date	Number of Performance Rights
A	The Company: (a) announcing a P50 Prospective Unrisked Resource exceeding 50 BCF within all or any Jurassic targets in either EP494, EP511 or a combination of both; and (b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than $0.20.	Five years from the date of issue	6,300,000
B	The Company: (a) announcing the completion of at least one well drilled to a completed and tested stage that confirms the existence of potentially commercially recoverable hydrocarbons in either EP494, EP511 or a combination of both; and (b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than $0.20.	Five years from the date of issue	6,300,000
C	The Company: (a) announcing exploration and development well results of 2P reserves exceeding 100 BCF in either of EP494, EP511 or from a combination of both; and (b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than $0.20.	Five years from the date of issue	6,300,000

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuation of rights to tenure of the interests, results of future exploration and successful development or alternatively, sale of the respective areas of interest.

In the 2025 year, the Directors reviewed the capitalised exploration and evaluation assets and determined that, there were no indications of impairment relevant to the carrying value of the exploration asset.

Note 11. Current liabilities - trade and other payables

	Consolidated 2025 $	Consolidated 2024 $
Trade payables	194,082	111,739
Sundry payables and accrued expenses	101,254	97,499
	295,336	209,238

Refer to note 14 for further information on financial instruments.

Note 12. Employee benefits

	Consolidated 2025 $	Consolidated 2024 $
Provision for Annual Leave	10,372	5,473

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated 2025 $	Consolidated 2024 $
Provision for Long Service Leave	4,618	1,390

Note 13. Equity - issued capital

a. Ordinary Shares	Consolidated 2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	122,224,499	93,296,086	11,557,271	10,506,794

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2023	92,148,412		10,162,494
Issue of shares		1,147,674	$0.300	344,300
Balance	30 June 2024	93,296,086		10,506,794
Issue of shares	08 October 2024	1,803,507	$0.250	450,877
Issue of shares	12 November 2024	1,400,000	$0.250	350,000
Bonus share issue 1:4[(1)]	25 April 2025	24,124,906	-	-
Issue of shares on the exercise of options	29 May 2025	1,600,000	$0.075	120,000
Transfer from option reserve	29 May 2025	-	-	129,600
Balance	30 June 2025	122,224,499		11,557,271

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

b. Shares under option

Movement in number of options during the period was as follows:	**No of Options**
Balance at 1 July 2023	6,550,000
ESOP Issue ($0.300 exercise price, expiry date 31/10/28[3])	3,050,000
Balance at 30 June 2024	9,600,000
ESOP Issue ($0.300 exercise price, expiry date 31/10/28[3])	1,750,000
Conversion ($0.075 exercise price, expiry date 31/10/28[3])	(1,600,000)
Bonus option issue 1:4 ($0.300 exercise price, expiry date 31/10/2028) [1][3]	30,156,132
Adjustment due to Bonus issue [1]	950,000
Balance at 30 June 2025	40,856,132

Unissued ordinary shares of Macallum New Energy Limited under option at the date of this report are as follows:

Grant date	**Expiry date[3]**	**Exercise price**	**Number under option**
14/10/2022	31/10/2028	$0.200	3,062,500 [1]
03/10/2023	31/10/2028	$0.300	812,500 [1]
03/10/2023	31/10/2028	$0.225	2,400,000 [1]
15/04/2025	31/10/2028	$0.300	875,000 [1]
15/04/2025	31/10/2028	$0.225	1,050,000 [1]
25/04/2025	31/10/2028	$0.300	30,156,132 [2]
			38,356,132[4]

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

[1] Bonus Issue - In April 2025 the Company issued 1 bonus share for every 4 shares held and 1 bonus option for every 4 shares held to the existing ordinary shareholders and as a consequence of this existing ESOP options quantities or exercise prices were adjusted in proportion to adjust these for the issue of the bonus shares.

[2] ESOP options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date.

[3] For the purposes of valuation, the external valuer has adopted 31 October 2028 as expiry date of these options.
[4] Subsequent to the year end, 900,000 employee share options were exercised, and 1.6 million employee share options were cancelled. Refer to Note 24 for further details.

Shares issued on the exercise of options
The following ordinary shares of Macallum New Energy Limited were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

Grant Date	Exercise Price	Number of shares issued
22 June 2022	$0.075	1,600,000

Capital risk management

The consolidated entity may look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is currently looking to list on the Australian Stock Exchange.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 14. Financial instruments

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2025	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing						
Trade payables	-	194,082	-	-	-	194,082
Other payables	-	101,254	-	-	-	101,254
Total		295,336	-	-	-	295,336

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 15. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2025 $	**Consolidated 2024 $**
Short-term employee benefits	178,635	146,667
Post-employment benefits	23,646	17,038
Share-based payments	130,869	117,167
	333,150	**280,872**

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditors of the company, its network or related firms:

	Consolidated 2025 $	Consolidated 2024 $
Audit services - Connect National Audit ("Current Auditor")		
30 June 2025 audit of the financial statements	13,500	-
Audit services – AMW Audit Group ("Predecessor Auditor")		
30 June 2024 audit and 31 December 2024 review of the financial statements	3,000	7,200
	16,500	7,200

Note 17. Contingent assets

The group had no contingent assets at 30 June 2025 or 30 June 2024.

Note 18. Contingent liabilities

As at 30 June 2025 Macallum New Energy Limited had 18,900,000 Performance Rights on issue as part consideration for petroleum exploration permits. Refer to Note 10 for further details of the performance related milestone. Should the performance milestone be met before the expiry date, Macallum New Energy Limited will be required to issue one fully paid share in Macallum New Energy Limited for every Performance Right issued.

Note 19. Commitments

Future exploration costs
With each petroleum permit issued the consolidated entity is required to incur expenditures on future exploration work programmes in order to keep the permits in good standing. Should these programmes not be met then application can be made to suspend and / or extend the timeframes or to vary the work programmes and otherwise there is a risk of forfeiture or discontinuance of the rights granted under the permits. Whilst there is no absolute obligation to incur the expenditure going forward, it is the intent of the consolidated entity to at least spend the minimum expenditure amounts to keep all permits in good standing. The total amount currently included with the conditions of permits that is indicated as minimum required to be spent within the next two permit years that has not, as at the end of the financial year, been spent is $4.1M (2024 - $4.5M)

There were no other commitments at 30 June 2025 or 30 June 2024.

Note 20. Related party transactions

Parent entity
Macallum New Energy Limited is the parent entity.

Ultimate Holding entity
Macallum Group Limited is the ultimate holding entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

Key management personnel
Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2025	**2024**
	$	**$**
Reimbursement of operational costs related to Macallum Group Limited (MGL)	88,908	244,819

Trade receivable from and payable to related parties
The following trade balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2025	**2024**
	$	**$**
Trade Payable to Macallum Group Limited (MGL)	12,252	62,348

Loan Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2025	**2024**
	$	**$**
Loans to related parties:		
Loan receivable from Macallum Group Limited (MGL) – Refer to Note 8	80,000	-

Terms and conditions
The Company is party to a loan arrangement with Macallum Group Limited (MGL), a related entity, whereby it has provided short-term working capital support.

Under the terms of the loan arrangement, the Company advanced $80,000 to MGL during the financial year period and a further $30,000 following the financial year period. The loans were provided on an unsecured and interest-free basis. The loans are repayable within 60 days of written demand from MNE, or earlier in the event of customary events of default as defined in the agreement.

MGL is a related party of the Company by reason of MGL holding more than a 51% shareholding interest in the Company during the financial year period.
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Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 **$'000**	**2024** **$'000**
Loss after income tax	(1,400,607)	(1,664,861)
Total comprehensive loss	(1,400,607)	(1,664,861)

Statement of financial position

	Parent	
	2025 **$'000**	**2024** **$'000**
Total current assets	150,637	324,128
Total assets	7,699,312	7,880,119
Total current liabilities	334,843	206,502
Total liabilities	339,461	427,892
Equity		
Issued capital	11,557,271	10,506,794
Options reserve	669,854	709,400
Accumulated losses	(4,897,274)	(3,522,593)
Total equity	7,359,852	7,452,227

Contingent liabilities
Refer to Note 19: Contingent Liabilities

Going Concern
Refer to note 1 for going concern.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 22: Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting in 2022, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel, employees, and contractors of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Adjustment	Balance at the end of the year
22/06/22	31/10/28	$0.100	4,000,000	-	-	-	4,000,000
14/10/22	31/10/28	$0.200	2,550,000	-	-	-	2,550,000
03/10/23	31/10/28	$0.300	-	3,050,000	-	-	3,050,000
			6,550,000	3,050,000	-	-	9,600,000
Weighted average exercise price			$0.139	$0.300	-	-	$0.190

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Adjustment(1)	Balance at the end of the year
22/06/22	31/10/28	$0.105	4,000,000	-	-	(4,000,000)	-
22/06/22	31/10/28	$0.075	-	-	(1,600,000)	4,000,000	2,400,000
14/10/22	31/10/28	$0.200	2,550,000	-	-	612,000	3,062,500
14/10/22	31/10/28	$0.150	-	-	-	100,000	100,000
03/10/23	31/10/28	$0.300	3,050,000	-	-	(2,237,500)	812,500
03/10/23	31/10/28	$0.225	-	-	-	2,400,000	2,400,000
15/04/25	31/10/28	$0.300	-	1,750,000	-	175,000	1,925,000
			9,600,000	1,750,000	(1,600,000)	1,049,500	10,700,000
Weighted average exercise price			$0.190	$0.300	$0.156	N/A	$0.215

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
15/04/25	31/10/28	$0.120	$0.300	100%	Nil	3.35%	$0.061

Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	2024 %
Edge Natural Energy Pty Ltd	Australia	100.00%	100.00%

Note 24. Events after the reporting period

Since year end, the consolidated entity has raised $75,000 through the exercise of employee share options, 800,000 shares at $0.075 per share and 100,000 shares at $0.15 per share. In addition, 1.6 million employee share options with a $0.075 exercise price were cancelled after year end

Material costs have been incurred since 30 June 2025 to assist the company to meet the requirements for listing the company on the ASX. These have included costs for independent experts reports, legal fees and other related costs. The consolidated entity has issued short term convertible notes to fund on-going operations and pre-IPO costs related to the proposed ASX listing planned to occur in early 2026. The condition for the conversion of these notes has been met and these will now be converted to ordinary shares prior to any listing.

The consolidated entity has continued to incur exploration costs on both its granted exploration permits in order to meet the requirements stipulated under the conditions of grant. In addition to the existing permits the Consolidated Group has applied for an additional 2 special prospecting authorities with acreage options in Western Australia, which when & if granted and accepted may lead to an increase in exploration activities and cost associated with this.

The directors are not aware of any other material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 25. Reconciliation of profit after income tax to net cash used in operating activities

	Consolidated 2025	Consolidated 2024
Profit (Loss) after income tax expense for the year	(1,374,681)	(1,664,861)
Adjustments for:		
Depreciation and amortisation	15,533	12,244
Share-based payments	361,429	308,195
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	204,130	(82,236)
Decrease/(increase) in GST receivables	-	(690)
Increase/(decrease) in trade and other payables	86,098	103,340
Increase/(decrease) in employee benefits	8,127	(3,216)
Net cash used in operating activities	(699,364)	(1,327,224)

There were no non-cash investing and financing activities occurred during the financial year.

Macallum New Energy Limited
Consolidated entity disclosure statement
As at 30 June 2025

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Macallum New Energy Limited	Body corporate	Australia	n/a	Australia
Edge Natural Energy Pty Ltd	Body corporate	Australia	100.00%	Australia

Macallum New Energy Limited
Directors' declaration
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Rance Dorrington
Director

19 November 2025
Perth

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MACALLUM NEW ENERGY LIMITED

Opinion

We have audited the financial report of Macallum New Energy Limited and its controlled entity (the Consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated entity, is in accordance with the *Corporations Act* 2001, including:

a) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including independence standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the Consolidated entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty related to Going Concern

We draw attention to Note 1 of the financial report, which states that for the year ending 30 June 2025, the Group incurred a comprehensive loss of $1,374,681 (2024: $1,664,861), net cash used in operating activities totaled $699,364 (2024: 1,327,224).

As at 30 June 2025, the cash balance was $72,762, the net current liabilities were $182,946 and the Net Assets were $7,359,852 which includes the carrying value of the Group's Exploration and Evaluation asset at $7,500,000.

These conditions give rise to a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to expect the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, and that therefore it is appropriate to adopt the going concern basis in the preparation of the annual financial report.

The Directors have prepared multiple cash flow forecasts that indicate that the consolidated group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of this report.

Based on the assumptions included in the cash flow forecasts, the Directors are satisfied that, the going concern basis of preparation is appropriate. These forecasts includes estimated operating expenses, direct exploration expenses and forecasted human resource costs, as well as additional funding and anticipated outcomes as disclosed below.

The assessment of the going concern assumption is based on the group's cash flow projections which applies a number of judgements and estimates, resulting in a range of reasonably possible scenarios, that maintain a cash positive position.

The Directors have taken the following into consideration in preparing these cash flow forecasts:

- The Company has demonstrated a track record of raising capital from its shareholders as and when needed for the ongoing funding of continuing exploration activities, including minimum expenditure requirements for keeping existing permits in good standing with the regulator and the intention is to continue with this as needed funding model up until the proposed ASX listing of the Company
- The proposed ASX listing of the Company is expected to provide sufficient funding for the Company's current projects for at least the next 12 months
- Should the Company not list on the ASX as planned the shareholders are expected to be asked to continue to contribute further funds

Whilst the Directors have every confidence in the above, should these matters not be completed as anticipated whether the entity is able to continue as a going concern and therefore realise its assets and discharge its liabilities in the normal course of business, is uncertain.

Our opinion is not modified in respect of this matter.

Other Matter

The financial report of the Consolidated entity, for the year ended 30 June 2024, was audited by another auditor who expressed an unmodified opinion albeit with an emphasis of matter on 14 November 2025.

Information Other Than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Consolidated entity are responsible for the preparation of the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and, the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of Macallum New Energy Limited and its controlled entity for the year ended 30 June 2025 included on Macallum New Energy Limited's web site. The directors are responsible for the integrity of the Macallum New Energy Limited's web site. We have not been engaged to report on the integrity of the Macallum New Energy Limited's web site. The audit report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report resent on this web site.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD

Authorised Audit Company No. 521888

Robin King Heng Li RCA

DIRECTOR

Date 19 November 2025